

Mr. Charles C. Ward

President

Elephant Butte/Caballo Leaseholders Association

ELEPHANT BUTTE CABALLO ASSOCIATION

TESTIMONY BEFORE LEGISLATIVE COMMITTEE ON H.R. 706

LEASE LOT CONVEYANCE ACT OF 2001

MR. CHAIRMAN AND DISTINGUISHED COMMITTEE MEMBERS, MY NAME IS CHARLIE WARD, I AM THE PRESIDENT OF THE ELEPHANT BUTTE/CABALLO LEASEHOLDER'S ASSOCIATION. I HAVE WITH ME TODAY TWO MEMBERS OF OUR BOARD OF DIRECTORS: MR. MIKE MOWLES AND MR. JERRY STAGNER.

MR. MOWLES IS ONE OF THE LEASEHOLDERS WHOSE LEASE LOT WAS NOT RECOMMENDED FOR PRIVATIZATION IN THE DRAFT RESOURCE MANAGEMENT PLAN AND THE ENVIRONMENTAL IMPACT STATEMENT. MR. STAGNER IS NOT A LEASEHOLDER BUT HE IS ONE OF THE CIVIC LEADERS OF OUR COMMUNITY AND HAS VOLUNTEERED TO SERVE ON OUR BOARD. HE IS THE PRESIDENT OF THE STATE NATIONAL BANK, A MEMBER OF THE ECONOMIC DEVELOPMENT COMMITTEE AND A MEMBER OF THE WORK FORCE DEVELOPMENT BOARD.

WE ARE HERE TODAY REPRESENTING THE LEASEHOLDERS OF ELEPHANT BUTTE AND CABALLO RESERVOIRS. THANK YOU FOR ALLOWING US THE OPPORTUNITY TO ADDRESS YOUR COMMITTEE ON BEHALF OF THE ELEPHANT BUTTE/CABALLO LEASEHOLDERS ASSOCIATION. OUR ASSOCIATION IS A NON-PROFIT ORGANIZATION FORMED TO ACHIEVE THE PURCHASE OF WHAT ARE REFERRED TO AS THE LEASE LOTS AT ELEPHANT BUTTE AND CABALLO RESERVOIRS.

ON BEHALF OF THE ASSOCIATION, I WOULD LIKE TO THANK REPRESENTATIVE JOE SKEEN FOR HIS CONTINUED SUPPORT OF OUR EFFORTS TO PRIVATIZE THE LOTS WE ARE LEASING, AND FOR INTRODUCING H.R. 706, THE LEASE LOT CONVEYANCE ACT, WHICH ALLOWS FOR THE PRIVATIZATION OF THE LEASE LOTS. SENATOR DOMINICI HAS, ALSO, ASSURED US OF HIS SUPPORT AND HAS GIVEN US HIS COMMITMENT TO INTRODUCE A COMPANION BILL IN THE SENATE. WE WOULD ALSO LIKE TO TAKE THIS OPPORTUNITY TO THANK SENATOR BINGAMAN AND REPRESENTATIVES WILSON AND UDALL FOR THEIR SUPPORT OF THIS LEGISLATION. ALSO, OUR THANKS IS EXTENDED TO THE BUREAU OF RECLAMATION, IN PARTICULAR CLAY McDERMEIT, WHO INVITED OUR ASSOCIATION TO HAVE A REPRESENTATIVE ON THE WORKING GROUP COMMITTEE FORMED TO PROVIDE INPUT INTO THE RESOURCE MANAGEMENT PLAN AND THE ENVIRONMENTAL IMPACT STATEMENT.

ALTHOUGH THE FINAL DOCUMENTS HAVE NOT BEEN RELEASED, THE DRAFT PLAN AND THE EIS RELEASED FOR COMMENTS RECOMMENDED ONLY 378 OF 403 LEASE LOTS BE PRIVATIZED. HOWEVER, OUR ASSOCIATION SUPPORTS H.R. 706, INTRODUCED BY

REPRESENTATIVE SKEEN, WHICH PROVIDES FOR THE PRIVATIZATION OF ALL THE LEASE LOTS.

THESE LEASE LOTS ARE IN THE STATE OF NEW MEXICO, ALONG THE SHORES OF ELEPHANT BUTTE AND CABALLO RESERVOIRS. ELEPHANT BUTTE RESERVOIR WAS DEDICATED IN 1916 AND IT IS NEAR THE SMALL COMMUNITY OF TRUTH OR CONSEQUENCES, NEW MEXICO. AS TIME HAS PROGRESSED, A SMALL COMMUNITY OF HOMES AND BUSINESSES HAVE RESULTED IN NEW MEXICO'S 101ST CITY, ELEPHANT BUTTE, INCORPORATED IN 1999.

CABALLO RESERVOIR WAS BUILT AROUND 1930 AS A FLOOD CONTROL AND HOLDING AREA. IT IS ABOUT 15 MILES SOUTH OF TRUTH OR CONSEQUENCES. THE RESERVOIRS ARE ABOUT TWO HOURS TO THE SOUTH OF ALBUQUERQUE, NEW MEXICO AND ABOUT TWO HOURS NORTH OF EL PASO, TEXAS, WHICH ARE THE CLOSEST LARGE CITIES TO OUR AREA.

THE FIRST LEASE LOTS BECAME AVAILABLE IN THE 1940'S. IN SPITE OF THE \$10.00 A YEAR LEASE FEE, IT TOOK A GOOD 40 YEARS BEFORE ALL OF THE LOTS WERE LEASED. IN THOSE TIMES, LESSEES WERE AVID FISHERMEN OR PEOPLE WHO TREASURED THE QUIET AND SOLITUDE THE RESERVOIRS OFFERED.

THE LEASE HOLDERS PIONEERED THE DEVELOPMENT OF THESE LEASE LOTS, ACTUALLY ENCOURAGED TO DO SO BY THE GOVERNMENT. IN LEASES OF OLD, LEASE HOLDERS WERE TOLD UNLESS IMPROVEMENTS WERE MADE TO THE LOTS, THE LEASES WOULD REVERT BACK TO THE GOVERNMENT. LEASEHOLDERS GOT BUSY AND ESTABLISHED ROADS, POURED FOUNDATIONS FOR THEIR CABINS OR TRAILERS, BROUGHT IN ELECTRICITY AND EITHER HAD WATER PIPED IN OR DRILLED WELLS. DRAINAGE AND RETAINING WALLS WERE BUILT, SEPTIC TANKS WERE INSTALLED AND OTHER UPGRADES WERE MADE INCLUDING UTILITIES. ALL OF THESE IMPROVEMENTS WERE A RESULT OF THE SWEAT, LABOR AND EQUITY OF THE LEASE HOLDERS.

IT IS IMPORTANT TO NOTE, ALL IMPROVEMENTS WERE APPROVED BY THE GOVERNMENT, AND, INsofar AS WE KNOW, NO FUNDS WHATSOEVER HAVE BEEN EXPENDED BY THE STATE OF NEW MEXICO NOR THE FEDERAL GOVERNMENT FOR THE BENEFIT OF THE LEASE LOTS. HOWEVER, SIERRA COUNTY DOES MAINTAIN ROADS FOR PUBLIC ACCESS TO THE BEACHES.

SOME LEASE HOLDERS HAVE IMPROVED THEIR LEASE LOTS, AND EVEN BUILT HOMES, BUT THE MAJORITY OF LEASE LOTS STILL REFLECT THE GENERAL POPULATIONS' STATUS OF RETIREE OR THOSE ON A LIMITED INCOME. ORIGINAL CABINS HAVE BEEN UPGRADED OR REPLACED WITH MANUFACTURED HOMES.

COLLECTIVELY, WE NOW FEEL THREATENED FOR TWO REASONS. FIRST OF ALL, THE STATE OF NEW MEXICO HAS INCREASED OUR LEASE FEES AND AS TIME PROGRESSES, WE MUST ANTICIPATE EVEN MORE INCREASES. LEASEHOLDERS FEAR THEY WILL BE "PRICED OUT" OF THEIR HOMES.

THESE ARE THE PEOPLE WHO MOVED HERE BECAUSE OF AFFORDABILITY; MANY OF WHO

ARE CONSIDERED TO BE AT POVERTY LEVEL OR BELOW. MORE THAN **75 PERCENT** OF THE LEASE LOT HOLDERS ARE OVER AGE 55, AND ABOUT **70 PERCENT** OF THESE ARE **OVER AGE 65**. THE MAJORITY OF THESE SENIOR CITIZENS ARE ON FIXED INCOMES. MOST ARE RETIRED, AND HAVING AN AFFORDABLE PLACE TO LIVE, ON LAND THEY THEMSELVES HAVE WORKED AND NURTURED, IS AN OPPORTUNITY THEY SHOULD BE SECURE IN.

SECONDLY, OUR HOLD ON THE LEASE LOTS WE CALL "HOME" IS TENUOUS, AT BEST. WE ARE ALL ACUTELY AWARE WE CAN BE REMOVED AT ANY TIME DUE TO A CLAUSE IN OUR LEASE AGREEMENT WHICH STATES, IF THE GOVERNMENT DETERMINES THERE IS A GREATER NEED FOR THESE LOTS, THEY CAN GIVE US A 60 DAY NOTICE AND WE MUST RETURN OUR LEASE LOTS TO THEIR ORIGINAL CONDITION.

THERE ARE 403 LOTS, BUT FAR MORE PEOPLE WILL BE AFFECTED BY THE OUTCOME OF THIS LEGISLATION. EVERY LEASE LOT HAS A FAMILY ASSOCIATED WITH IT AND IS OFTEN USED BY SEVERAL GENERATIONS. THERE ARE MANY FAMILIES IN WHICH THE FATHER ACQUIRED THE LOT. HE RAISED HIS KIDS WITH "THE BUTTE" AS AN INTEGRAL PART OF THEIR UPBRINGING. THAT TRADITION CONTINUES TODAY IN THE LIVES OF HIS GRANDKIDS AND GREAT GRANDKIDS. EVERY LOT TOUCHES THE LIVES OF A FAMILY. MANY HUNDREDS OF PEOPLE CALL THESE LOTS HOME.

ELEPHANT BUTTE AND CABALLO RESERVOIR'S BOUNDARIES, INCLUDING THE LAKES, ENCOMPASS APPROXIMATELY 78,000 ACRES. THE LEASE LOTS OCCUPY ONLY 250 ACRES, OR **0.3 PERCENT** OF THE LAND WITHIN THIS AREA. THEREFORE, **MORE THAN 99.5 PERCENT, OR 77,750 ACRES** OF THE AREA ARE, AND WILL BE, AVAILABLE FOR FULL PUBLIC UTILIZATION. **THE LEASE LOTS ARE NOT AN ISSUE WITH REGARD TO PUBLIC RECREATION.**

THERE ARE MORE THAN **200 MILES** OF SHORELINE AVAILABLE FOR PUBLIC UTILIZATION AROUND THE TWO RESERVOIRS. LEASE LOTS DO NOT ENCROACH UPON OR OTHERWISE AFFECT PUBLIC UTILIZATION OF SHORELINES AROUND THE RESERVOIRS.

CURRENTLY, THE MAJORITY OF LEASEHOLDERS ARE RELUCTANT TO MAKE MAJOR IMPROVEMENTS ON THEIR LEASE LOTS DUE TO THE LAND TITLE QUESTIONS. PRIVATE OWNERSHIP OF LEASE LOTS WILL NOT ONLY SUSTAIN EXISTING ECONOMIC CONDITIONS, BUT WILL ALSO PROVIDE OWNERS THE SECURITY TO INVEST IN PERMANENT STRUCTURE AND IMPROVEMENTS. IT WILL ADD NEEDED JOBS TO THE COMMUNITY, INCREASE ECONOMIC STABILITY, INCREASE REVENUE TO THE COUNTY THROUGH PROPERTY TAXES AND TO THE SURROUNDING COMMUNITY THROUGH GROSS RECEIPTS TAXES.

TRUTH OR CONSEQUENCES, WILLIAMSBURG, CABALLO AND ELEPHANT BUTTE HAVE GROWN AND ARE PROSPERING WITH THE INCREASED POPULATION. IF LEASES ARE TERMINATED, A SIGNIFICANT NEGATIVE IMPACT TO THE LOCAL ECONOMY AND LOSS OF SUSTAINABILITY WILL OCCUR. MOST SIGNIFICANTLY, A LARGE NUMBER OF ELDERLY PEOPLE, MANY OF WHOM CANNOT AFFORD TO LIVE ELSEWHERE, WOULD BE UPROOTED OR DISPLACED.

THE IMPORTANT POINT I WANT TO MAKE TODAY IS OUR ASSOCIATION, THE STATE OF NEW MEXICO, ITS CONGRESSIONAL DELAGATION AND THE SURROUNDING COMMUNITIES,

AS REFLECTED IN REPRESENTATIVE'S SKEEN'S BILL, BELIEVES **ALL** THE LEASE LOTS SHOULD BE PRIVATIZED. WE BELIEVE ALL THE LOTS ARE EQUALLY IMPORTANT TO THOSE CURRENTLY LEASING THEM. THERE IS NO EFFECT TO THE PUBLIC BY ALLOWING THE LOTS TO BE PURCHASED BY THEIR LEASE HOLDERS. IN THE PAST 4 TO 5 DECADES THESE LOTS HAVE BEEN LEASED, THERE HAS BEEN NO CONFLICT WITH PUBLIC USERS AND NO LOSS OF USE BY THE PUBLIC. THEREFORE, WE ENCOURAGE YOU TO PASS REPRESENTATIVE SKEEN'S BILL, AS WRITTEN, TO INCLUDE PRIVATIZATION OF 403 LEASE LOTS.

OUR PROCESS HAS BEEN LONG AND ARDUOUS. WE HAVE BEEN WORKING FOR MORE THAN 2 DECADES TOWARDS THE PURCHASE OF OUR LOTS. IT IS IMPOSSIBLE TO CONDENSE INTO A FIVE MINUTE PRESENTATION LIFETIME EXPERIENCES SUCH AS A KID'S FIRST FISH, A WIDOW LIVING ON A FIXED INCOME OR A NEIGHBOR WHOSE WIFE IS IN THE FINAL STAGES OF CANCER.

WE ARE THANKFUL TO FINALLY BE BEFORE YOU TODAY, AND THANK YOU FOR YOUR TIME, AND HOPEFULLY FOR YOUR SUPPORT OF REPRESENTATIVE SKEEN'S BILL, 706. PLEASE FEEL FREE TO ASK ME OR ONE OF THE OTHER BOARD MEMBERS ANY QUESTIONS YOU MIGHT HAVE. WE WOULD BE HAPPY TO ANSWER YOUR QUESTIONS.

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